

III. 29 Apr 76 U S S R I N T E R N A T I O N A L A F F A I R S
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TEXT OF GOVERNMENT STATEMENT ON MIDDLE EAST

Moscow TASS in English 1752 GMT 28 Apr 76 LD

Soviet Statement

[Text] Moscow, April 28 TASS--Follows the text of a Soviet Government statement:

The Soviet Government finds it necessary again to draw the attention of the governments of all states of the world to the situation in the Middle East, to the events taking place there. It is prompted to this by anxiety caused by the lengthy absence of a settlement of the Middle East conflict, by the Soviet Union's awareness of its international responsibility as a permanent member of the United Nations Security Council and by the striving to facilitate a further relaxation of international tension and consolidation of universal peace.

1. For many years now Israel's Armed Forces are occupying vast territories of independent Arab states. A policy of racial discrimination and oppression is being conducted against the Arab population in these territories. The native inhabitants of the occupied territories are being driven from their homes, their dwellings are being razed to clear ground for the establishment of settlements for citizens of an alien state--Israel. Those who resist the cruel occupation policy are subjected to arrests, deportation and other repressions. Step by step, the captured territories are being included into the state of Israel. All this creates in the Middle East the atmosphere of drawout and dangerous crisis.

Israel's ruling circles obstruct the implementation of the inalienable right of the Arab people of Palestine to create their own state. The three million Palestinian Arabs, having the same right to this as any other people in the Middle East, as any other people in the world, continue to remain in the position of an exiled people. And all this despite the fact that their right to create their own state on the territories of Palestine was confirmed by the United Nations Organization and the Palestine Liberation Organization is widely recognized as the lawful representative of this people and has the support of the popular masses in Israeli-occupied territories.

Israel's armaments are being further built up on a huge scale. The United States is sending there various modern arms, including rockets capable of carrying both conventional and nuclear warheads. Alarming in this respect are reports that Israel is creating or has already created its own nuclear weapons. It is not difficult to see what a potential danger to peace is posed by this.

While last year's separate deals concerning some small sections of Israeli-occupied territories did create in some quarters the illusion of calming down in the Middle East, now everybody sees that these deals, which sidestepped cardinal questions of the Middle East settlement, not only failed to defuse the situation but have even further aggravated it. Nothing demonstrates this as convincingly as the tragic and bloody events in the Lebanon and around it. These events confirmed once again that if resolute efforts are not taken towards an all-embracing political settlement in the Middle East, the situation there can worsen still more and every new day brings new evidence of this.

2. The situation when the Middle East conflict remains unsettled is fraught with a new military explosion. This situation as such means that the aggressor continues with impunity to reap in the fruits of its original policy while the lawful interests and rights of the victims of the aggression are being further flouted. It is clear that there can be no stability and no tranquility in the Middle East on such a basis.

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The absence of a settlement of the conflict has already resulted four times in military clashes between Israel and the Arab states within a comparatively short period of time. It would be naive to proceed from the assumption that this could not happen for the fifth time. Meanwhile the possible consequences of a new war in the Middle East, including the consequences for the international situation as a whole, are obvious to all.

There are even more grounds for alarm because some states strive to put off further and further the solution of the main questions of the Middle East settlement and use absolutely artificial arguments to justify this. First they say it is necessary to wait for the presidential elections in the United States to pass, then they say that conditions for a Middle East settlement are not ripe at all.

The real aims of those who would like to put off the solution of the problem of the Middle East settlement endlessly and indefinitely should be clear to any objectively minded person. The preservation of the present situation in the Middle East fully accords with their long-term plans of establishing their control over the Middle East area, over its tremendous oil resources and important strategic positions.

It is precisely for this sake that those who pursue aims that have nothing in common with the genuine interests of the peoples of the Middle East would like to weaken the Arab states to the maximum, push them off the road of progressive social development, range them against one another and compel them to act in disunity.

Who does not know that until recently the arsenal of imperialist policy in the Middle East included one main weapon - Israel's ruling circles that are pursuing a policy of territorial expansion at the expense of the Arabs. Now however the aggressors and their patrons hope to rely in their policy also on some Arab states. But one can express confidence that in the final count the peoples of the Arab East will frustrate this plan that is hostile to the cause for which the Arabs are struggling, to the cause of their independence and freedom.

Obvious attempts are being made to strike a blow at the forces of the Palestine resistance movement and draw Arabs into a fratricidal war. This is the real meaning of the events in Lebanon. This is even more emphasized by such provocative actions as the concentration of Israeli troops on Lebanon's southern borders and the sending of U.S. naval ships to Lebanese shores although they have no business there.

Such is imperialism's policy in the Middle East, a policy of encouraging and supporting aggression, of weakening the positions of national progressive forces, of undermining their unity and asserting on this basis its domination in that area.

3. The Soviet Union is promoting a fundamentally different policy in questions related to the Middle East. It proceeds from the premise that the peoples of that area should be full masters of their destiny, should receive an opportunity to live in conditions of independence, freedom and peace. That is precisely why the Soviet Union firmly stands out for a radical political settlement of the Middle East conflict and believes that this is attainable. The discussion in recent years of questions of the situation in the Middle East and the relevant decisions of the United Nations Security Council and General Assembly determined the basis on which such a settlement can and must be achieved. This basis consists of three organically interconnected elements:

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Firstly, the withdrawal of Israeli troops from all Arab territories occupied as a result of Israel's aggression in 1967;

Secondly, satisfaction of the legitimate national demands of the Arab people of Palestine, including their inalienable right to establish their own state;

Thirdly, international guarantees for the security and inviolability of the frontiers of all Middle Eastern states, and their right to independent existence and development.

These basic and interconnected problems of a Middle East settlement take due account of the legitimate rights of all the sides directly concerned and create a just and realistic basis for settlement.

This basis is just for the Arab states, the victims of Israel's aggression--it provides for giving them back the territories belonging to them, restoration of their sovereignty over these territories and removes the danger of a new aggression.

The peoples of the Arab countries will get an opportunity of concentrating their energies and resources on the solution of the problems of economic and social development, and eliminating backwardness they inherited from colonialism. The Arab states will be also able to play a more important role in international affairs.

This basis for settlement is just for the Palestinian Arab people because it takes into account their right to establish their own independent state. The Arab people of Palestine will leave the refugee camps, gain freedom from oppression by the invaders and build their own state in their homeland.

This basis for a political settlement is also just for Israel because it ensures for it peace and security within the recognized frontiers. Its young people will no longer be sacrificed on the altar of war. The Israeli working people, the entire people of the state of Israel will be able to live in conditions of confidence in the morrow. The state of Israel will get an opportunity of normalizing its position among the states of the world.

An overall and radical political settlement in the Middle East will bring peace and a chance of prosperity to all the peoples of the area. It will create a firm foundation of peace for the future, particularly considering the fact that within the framework of such a settlement it will be possible to find a solution to the problem of stopping the arms race in the Middle East, which is advocated by the Soviet Union.

Only circles which cannot abandon the dangerous policy of brinkmanship in the Middle East can object to this basis for a political settlement.

4. Not only is there a just and realistic basis for a settlement of the Middle East conflict, there is also an international mechanism for working out appropriate accords. This is the Geneva peace conference on the Middle East.

No one denies that given the desire of the states concerned, the Geneva peace conference could lead to agreement on all aspects of settlement. Nor is this denied by the United States. What is more, an identity of views on this matter was made several years ago the basis of agreement on the convocation of the Geneva conference. What is lacking now? Desire is lacking.

This and this alone accounts for the fact that changing moods, determined by transient considerations, have been the dominant attitudes to the Geneva conference in recent years. This refers, first of all, to the position of the USA and with regard to the role of the conference.

Hence, the matter is not that the Geneva peace conference is not a suitable mechanism for a settlement of the conflict but that some are unwilling to put this mechanism into operation. That is exactly how matters stand if the entire question of the Geneva conference and its role is cleared of falsity.

The Soviet Union comes out for the resumption of the Geneva peace conference with the participation of all the sides directly concerned, including the Palestine Liberation Organization as a representative of the Arab people of Palestine.

True, this calls for certain preparatory work. The Soviet Government understands this. It believes that the work of the conference could be arranged in two stages. In the initial stage, it would solve all the organizational questions that may arise, including the procedure of considering the concrete aspects of settlement, the possibility of establishing appropriate working bodies, etc.

This stage would evidently not be a long one, and after this phase the conference could take up its basic tasks, that of finding solutions concerning the substance of the settlement problems. It goes without saying that representatives of the Palestine Liberation Organization should take part in the work of both stages of the conference.

The Soviet Union is prepared without delay to appoint its representatives for attending the preparatory and the basic phases of the Geneva conference. The Soviet Government would like to hope that all the other sides concerned will adopt a similar position. If, however, some governments continue to obstruct the resumption of the Geneva conference they will naturally assume a serious responsibility for the consequences of such a policy.

5. Setting forth their considerations on the need for more active efforts towards a settlement of the Middle East conflict, the Soviet Government considers it necessary to stress that the Soviet Union does not seek any advantages for itself in the Middle East. Either in the Middle East or in any other area of the world, it does not exact military bases or any rights to develop local natural resources, or an opportunity for itself to influence the internal development of the states concerned. The Soviet Union, loyal as it is to the ideal of solidarity with the peoples fighting for freedom and social progress, invariably supports and intends to continue its firm support for the just position of the Arab states, the Arab peoples.

Peace and tranquility in the Middle East are the goal of Soviet policy in the area. The Soviet Union is also interested in creating conditions for the development of relations with all states of the Middle East.

Now has it any prejudices against any of these states, including Israel, if the latter drops its policy of aggression and takes the road of peace and good-neighbour relations with the Arabs.

Elimination of the dangerous source of tension that remains in the Middle East is one of the top-priority tasks in the efforts to strengthen international peace and security.

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It is a duty of all states to contribute to the solution of this task. The Soviet Government urges the governments of all states of the world to discharge this duty and to facilitate efforts to achieve a just and lasting political settlement in the Middle East.

PROTOCOL ON TRADE WITH EGYPT SIGNED IN MOSCOW

Moscow TASS in English 1458 GMT 28 Apr 76 LD

[Text] Moscow, 28th April--A protocol on trade turnover between the USSR and the Arab Republic of Egypt for 1976 was signed here today. The protocol was signed on the Soviet side by Nikolay Patolichev, USSR minister of foreign trade, and on the Egyptian side by Zakariya Tawfiq 'Abd al-Fattah, minister of trade and supply.

MENA Report

For a Cairo MENA report of the details of the 1976 Soviet-Egyptian trade protocol signed in Moscow on 28 April see the Egypt section of the 29 April Middle East DAILY REPORT.

REALITIES OF EGYPT'S ECONOMIC PLIGHT VIEWED

Moscow IZVESTIYA in Russian 24 Apr 76 Morning Edition p 3 LD

[Article by TASS economic observer S. Stoklitskiy: "Plans and Reality"]

[Text] The Cairo journal AL-AHRAM AL-IQTISADI has published the draft of the new 5-year plan for Egypt's economic development in 1976-1980. A study of this draft shows that the present Egyptian leadership is primarily counting on foreign loans and credits to finance the plan.

It is planned to derive 62.5 percent of capital investments, which are to total 8 billion Egyptian pounds, from foreign revenue. In addition, it is planned to seek foreign currency amounting to 3 billion Egyptian pounds to cover the trade deficit and pay off debts. Thus, the plan's compilers are pinning their hopes on obtaining from abroad funds amounting to 8 billion Egyptian pounds, or approximately \$18 billion, during the next 5 years.

But how far can these calculations be justified? For example, it is known that, of the capital investments amounting to 1,466,000,000 Egyptian pounds planned for 1975, it was proposed that more than three-fourths be obtained from abroad. It is also known that the country did not receive this capital. The Egyptian Government was obliged hastily to seek creditors who could offer it short-term loans at 15-19 percent interest annually.

The large private companies of the West are in no hurry to invest in the Egyptian economy. First and foremost they are demanding that the remaining currency restrictions be lifted. Furthermore, the monopolies do not wish to provide the money to develop the infrastructure connected with new capital construction. Finally, foreign capital makes no secret of its doubts as to Egypt's solvency, which, as a result of its "open door policy," is literally up to its ears in debt.

Leaving aside the opening of branches of some Western banks and the interest in Egyptian oil, Britain's FINANCIAL TIMES notes in this connection, businessmen cannot name any significant projects which foreign firms would actually be prepared to undertake in Egypt.